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Japan: A Post-Election Political Status Report

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The ruling Liberal Democratic Party (LDP) is highlighting its impressive victory in the 26 June elections for the Upper House of the Japanese Diet as a vote of confidence for Prime Minister Nakasone, but we are less certain. The outcome enhances Nakasone's standing in the party and his ability to govern and he will need this backing to surmount difficult economic and political problems in the next six months. For example, the verdict in the Tanaka bribery trial is set for mid-October. In this regard, President Reagan's November trip to Japan will probably be helpful to Nakasone. The Prime Minister can highlight his role in the US-Japan relationship and the visit could push the Tanaka issue off the front page.

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LDP Victory

The LDP scored impressively in the 26 June election. The conservatives captured 68 of the 126 seats at stake in the Upper House, an increase of three from their previous level. Under the new election system, the Japanese electorate nationwide selected 50 Diet members from 191 candidates representing 18 political groups; the LDP won 19. Another 76 seats were decided in local

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Japan: Upper House Political Balance

Party	Total seats won	Total not up for election	New party strength	Pre-election strength
Liberal Democratic	68	69	137	134
Japan Socialist	22	22	44	48
Komeito	14	12	26	27
Japan Communist	7	7	14	12
Democratic Socialist	6	5	11	12
New Liberal Club	2	0	2	5
Others	7	11	18	14
	126	126	252	252

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constituencies; the LDP captured 49. The LDP will now control all 16 standing committees as well as all ad-hoc committees in the Upper House. The Upper House is far less important than the lower house for legislation but still has significant prestige in Japanese politics. [redacted]

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Although the LDP did well, we do not believe it is clear voters gave Nakasone a vote of confidence. First, all of the LDP gains were in local districts where the party organization is strong. In nationwide balloting where Nakasone's high visibility could have played a role, the party actually lost ground. In spite of a massive "go-to-the-poll and vote" drive by every party, and particularly Nakasone, voter turnout was only 57 percent, the lowest of any postwar election. We believe that people simply were tired of going to the polls after two rounds of local elections in April. One pre-election survey uncovered a widespread public apathy. [redacted]

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Looking at individual factions within the LDP, the Tanaka faction scored well, adding six to its roles, bringing the total Diet membership of the faction to 116. Nakasone also added three to his faction. The antimainstream Fukuda and Komoto factions both lost members. Although the recent changes in the Upper House election law were designed to stop what the media termed "money politics," the factions that did well also spent the most per candidate. Taking note of this, former prime Minister Fukuda reportedly is campaigning to make further changes in the system. [redacted]

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The Opposition

The opposition parties were not able to mount much of a campaign. The socialists were the major losers, dropping four seats. Moreover, they failed to capture seats in what once were major areas of support--Tokyo and Osaka. The Socialist Party also lost ground in the nationwide elections; this was a major disappointment because it supported the recent changes in the election laws. The Japan Communist Party, which did not support election law changes, gained two seats. (Socialist Party chairman Asukata's recent decision to resign to take responsibility for the defeat is likely to stir another intraparty power struggle.) [redacted]

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One factor behind opposition losses was that the new election system made it difficult for opposition parties to forge alliances at the local level because voters now cast nationwide ballots for the party of their choice, not for particular candidates. According to press reports, this was the strategy LDP leaders Takeshita and Gotoda had in mind when they pushed for the Upper House election reform bill. [redacted]

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LDP Factional Strength After the Upper House Election *

<u>Faction</u>	<u>Total</u>	<u>Upper House</u>	<u>Lower House</u>
Tanaka	116 (110)	52 (46)	64
Suzuki	88 (86)	27 (25)	61
Fukuda	71 (73)	25 (27)	46
Nakasone	56 (53)	9 (6)	47
Komoto	37 (39)	8 (10)	29
Nakagawa	7 (8)	1 (2)	6
The Neutralists	46 (49)	15 (18)	31
	421 (418)	137 (134)	284

*() indicates pre-election standing.

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Perhaps more important, the opposition parties were unable to capture voter interest by attacking either Nakasone or the LDP. Both the LDP's and Nakasone's standing in the public opinion polls increased prior to the election. According to a recent survey, the LDP is drawing more support from women and younger people than in previous elections. We believe this reflects the inability of opposition parties to develop a platform that seems better to voters than maintaining the status quo. []

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For his part, Nakasone attempted to play down his own "hawkish" image on defense and INF issues. Opposition party attempts to discredit Nakasone and the LDP on the security issue allowed the Prime Minister to point out that the opposition did not have a security policy. On several occasions he highlighted his support for the US position in nuclear arms reduction talks and lashed out at the leftists for not going to Moscow to shout antinuclear slogans. []

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Impact on Nakasone

Although the election was not the vote of confidence we believe Nakasone was looking for, the outcome will improve his ability to govern over the next few months. The media played up the election as a referendum on Nakasone, and party leaders, citing these stories, are proclaiming that Nakasone now has a mandate. In addition to expanding his own faction, his overall standing in the party has probably improved. His energetic stumping in support of LDP candidates earned him praise even from his critics in the Party. His decision not to combine Upper and Lower House elections--an idea supported by former Prime Minister Tanaka--enables Nakasone to gain credibility in the eyes of the public and party members by appearing to distance himself from Tanaka's influence. []

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Nakasone will need whatever support he can muster over the next six months. He faces numerous difficult decisions, any one of which could coalesce opposition in his party, key voting blocs supporting the LDP, other parties, and the media. On the economy, for example, we believe his current mix of tight fiscal and relaxed monetary policy will not produce a resurgence in economic growth. Moreover, if he holds to his recent statements that he will further rein in the budget in order to trim the fiscal deficit, cuts in social programs will be necessary. Nonetheless, a change to a more expansionist policy risks alienating his support in the business community which is deeply concerned over the fiscal deficit, now roughly 5 percent of GNP. []

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Within his party Nakasone also must deal with the Tanaka

problem. The Japanese Court will hand down a verdict in Tanaka's bribery trial on 12 October. Most political observers in Tokyo believe the former Prime Minister will be found guilty and that opposition parties will demand his expulsion from the Diet. Although Nakasone has edged away from Tanaka in recent months, his ties to the former Prime Minister are well known and will be played up in the media. In addition, we believe Nakasone's opponents in the LDP--principally former Prime Minister Fukuda--may use the verdict to attack the Prime Minister. []

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Nakasone must also continue to demonstrate his ability to manage the US-Japan relationship. He is on record as wanting a solution to the US-Japan agricultural trade issue in the near future--certainly before President Reagan's visit in November. Neither the other LDP leaders nor the bureaucrats want to take the blame for giving ground on the issue to the United States, reflecting the political clout of the farmers. As a result, the impetus for a solution will probably have to be Nakasone's. On defense, Nakasone must walk the line between US demands and his desires for an increased Japanese military capability on the one hand and public concerns over his hawkish views as well as spending constraints on the other. []

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Outlook

None of these problems are likely to topple the Nakasone government, although we believe they will erode popular support. Because of these issues, however, we believe Nakasone will delay holding elections for the more important lower house of the Diet until 1984. He does not have to hold elections until mid-1984, but some in the Japanese media have been speculating about elections in January. Tanaka would probably rather have them before the October verdict to increase the size of his faction. []

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From Nakasone's view, a November visit to Japan by President Reagan is well timed. If pressured by Tanaka to hold elections prior to the 12 October verdict, Nakasone could cite the preparations for the visit as well as work on the budget as excuses. The Presidential visit could push the Tanaka story off the front page shortly after the verdict. It could also enhance Nakasone's public position by demonstrating his role in the US-Japan relationship. []

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